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# **Fiscal Update**

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**Presentation to the  
Senate Budget and Taxation Committee**

**Department of Legislative Services  
Office of Policy Analysis  
Annapolis, Maryland**

**December 3, 2009**



# U.S. Has Been in Recession Since December 2007

## U.S. Recessions Since World War II

<u>Recession</u>	<u>Length in Months</u>	<u>Peak to Trough Percent Change*</u>		<u>Unemployment Rate</u>		
		<u>Real GDP</u>	<u>Nonfarm Employment</u>	<u>Low</u>	<u>High*</u>	<u>Change</u>
December 2007 to ???	24 (and counting)	-3.8%	-5.3%	4.4	10.2	5.8
<b>Forecasts:</b>						
-- Moody's Economy.com, Inc.	20	-3.8%	-5.7%	4.4	10.7	6.3
-- Global Insight	18	-3.8%	-5.5%	4.4	10.2	5.8
March 2001 to November 2001	8	-0.3%	-2.1%	3.9	6.3	2.4
July 1990 to March 1991	8	-1.4%	-1.5%	5.0	7.8	2.8
July 1981 to November 1982	16	-2.9%	-3.2%	7.2	10.8	3.6
Average for Previous Recessions	10	-2.0%	-2.6%	4.4	7.6	3.2

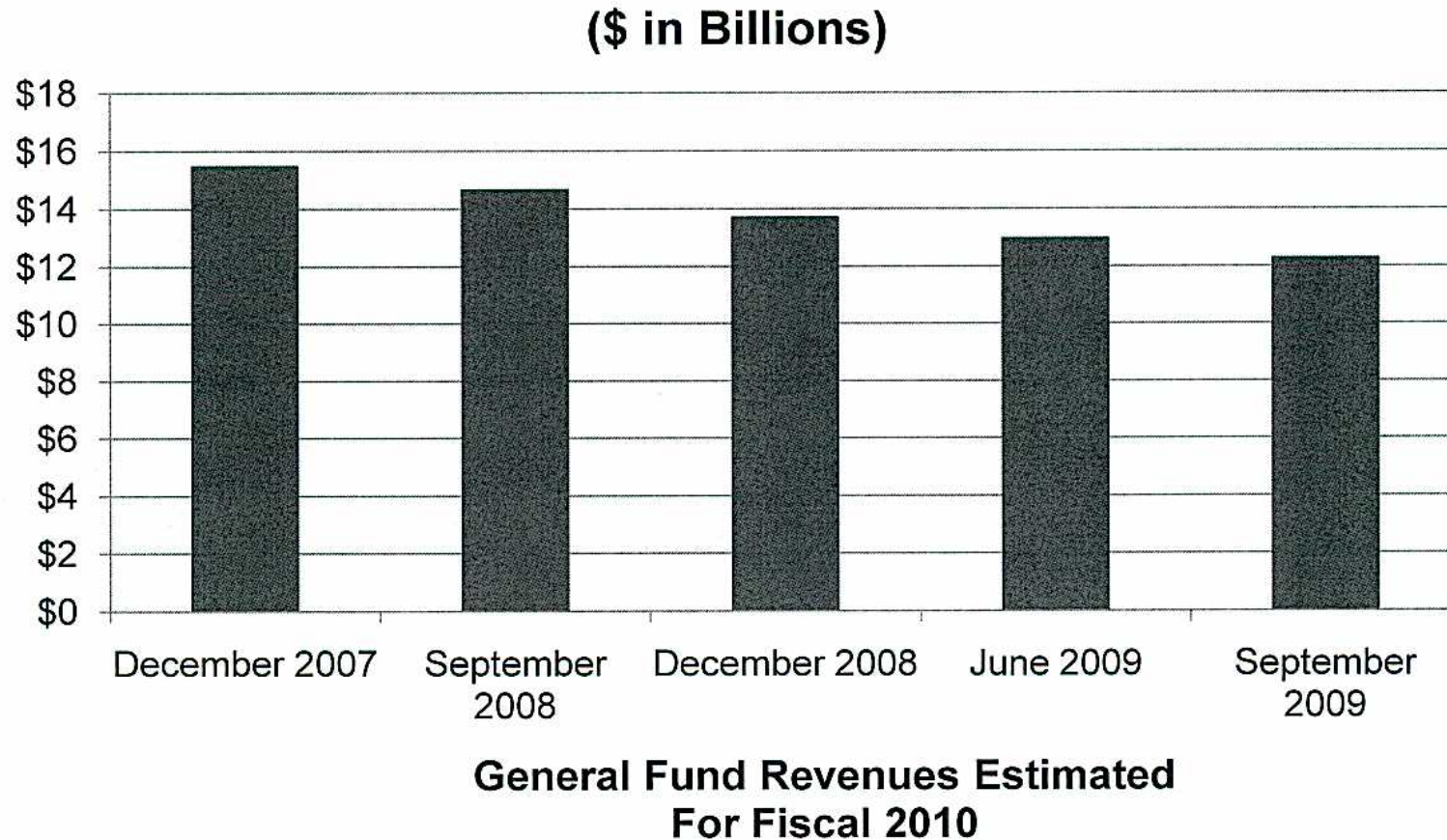
Real GDP = inflation adjusted gross domestic product

\* For the 2007 recession, real GDP is the percent change from the peak to the second quarter of 2009. Employment is the percent change from the peak to October 2009. The unemployment rate is as of October 2009.

Note: Global Insight and Economy.com believe that real GDP bottomed out in the second quarter of 2009. Global Insight expects the unemployment rate to peak in the first quarter of 2010 while Economy.com forecasts the peak in the third quarter of 2010.

# Constrained Budget Growth Overwhelmed By \$3.2 Billion Revenue Decline

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# Fiscal 2009 General Fund Revenues

(\$ in Millions)

<u>Source</u>	FY 2008 <u>Actual</u>	Fiscal 2009			FY 2008-2009 <u>% Change</u>
		<u>Estimate*</u>	<u>Actual</u>	<u>Difference</u>	
Personal Income Tax	\$6,940.1	\$6,781.5	\$6,477.2	-\$304.3	-6.7%
Sales and Use Tax	3,675.3	3,611.0	3,620.4	9.5	-1.5%
State Lottery <sup>(1)</sup>	497.1	455.8	473.2	17.4	-4.8%
Corporate Income Tax	551.7	582.3	550.7	-31.6	-0.2%
Business Franchise Taxes	208.0	209.2	201.4	-7.9	-3.2%
Insurance Premiums Tax	301.8	298.3	275.2	-23.1	-8.8%
Estate and Inheritance Taxes	243.5	226.6	205.5	-21.1	-15.6%
Tobacco Tax	376.1	413.8	405.6	-8.2	7.8%
Alcohol Beverages Tax	29.0	29.0	29.2	0.2	0.7%
Motor Vehicle Fuel Tax	13.2	6.5	6.5	0.0	-50.8%
District Courts	91.3	88.3	89.4	1.1	-2.1%
Clerks of the Court	42.6	32.4	40.5	8.1	-4.8%
Hospital Patient Recoveries	86.6	94.7	96.5	1.7	11.4%
Interest on Investments	166.5	103.0	83.0	-20.0	-50.1%
Miscellaneous	322.9	307.9	338.3	30.4	4.8%
GAAP Transfer	<u>0.0</u>	<u>7.9</u>	<u>7.9</u>	<u>0.0</u>	<u>n/a</u>
<b>Total Revenues</b>	<b>\$13,545.6</b>	<b>\$13,248.4</b>	<b>\$12,900.5</b>	<b>-\$347.9</b>	<b>-4.8%</b>

GAAP: generally accepted accounting principles

\* From the Board of Revenue Estimates, March 2009, with adjustments for action at the 2009 legislative session.

<sup>(1)</sup> Total fiscal 2008 net receipts after the distribution to the Stadium Authority totaled \$507.9 million, \$10.8 million above the estimate. The \$10.8 million overattainment was transferred to a special fund per SB 545 (2008 session).

Note: Legislation enacted at the 2007 special session and the 2008 regular session impacted the personal income tax, sales tax, corporate income tax, tobacco tax, motor fuel tax, and certain miscellaneous revenues. In general, these changes went into effect in January 2008 thus impacting the second half of fiscal 2008 revenues but all of fiscal 2009.



**Maryland General Fund Revenue Forecast**  
(\$ in Millions)

<u>Source</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Estimate</u>			<u>% Change over FY 2009</u>	<u>FY 2011 Estimate</u>	<u>% Change over FY 2010</u>
		<u>March</u>	<u>Sept.</u>	<u>Difference</u>			
Personal Income Tax	\$6,477.2	\$6,602.2	\$6,121.8	-\$480.3	-5.5%	\$6,358.2	3.9%
Sales and Use Tax	3,620.4	3,605.4	3,523.9	-81.6	-2.7%	3,647.2	3.5%
State Lottery <sup>(1)</sup>	473.2	507.1	523.0	15.9	10.5%	530.4	1.4%
Corporate Income Tax <sup>(2)</sup>	550.7	555.5	495.0	-60.5	-10.1%	541.1	9.3%
Business Franchise Taxes	201.4	216.1	216.1	0.0	7.3%	216.1	0.0%
Insurance Premiums Tax	275.2	305.2	275.8	-29.5	0.2%	281.3	2.0%
Estate and Inheritance Taxes	205.5	177.6	180.2	2.6	-12.3%	178.3	-1.1%
Tobacco Tax	405.6	399.1	380.3	-18.9	-6.2%	375.7	-1.2%
Alcohol Beverages Tax	29.2	29.6	29.5	-0.1	1.2%	29.9	1.2%
Motor Vehicle Fuel Tax	6.5	8.4	8.4	0.0	29.0%	0.0	-100.0%
District Courts	89.4	88.8	88.6	-0.2	-0.9%	87.5	-1.2%
Clerks of the Court	40.5	32.8	42.0	9.2	3.7%	40.2	-4.4%
Hospital Patient Recoveries	96.5	66.4	65.7	-0.7	-31.9%	67.1	2.0%
Interest on Investments	83.0	73.0	38.0	-35.0	-54.2%	48.5	27.6%
Miscellaneous	338.3	329.8	326.0	-3.8	-3.6%	332.5	2.0%
GAAP Transfer	<u>7.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>-100.0%</u>	<u>0.0</u>	<u>n/a</u>
<b>Total Revenues</b>	<b>\$12,900.5</b>	<b>\$12,997.0</b>	<b>\$12,314.2</b>	<b>-\$682.8</b>	<b>-4.5%</b>	<b>\$12,733.9</b>	<b>3.4%</b>

GAAP: generally accepted accounting principles

<sup>(1)</sup> Legislation from the 2009 session (HB 101) lowered the agent commission from 5.5 to 5.0% for fiscal 2010 to 2012.

<sup>(2)</sup> General fund corporate income tax revenues in fiscal 2009 and 2010 reflect distributions to the Higher Education Investment Fund. Under current law, there will be no distribution in fiscal 2011.

Source: Board of Revenue Estimates. The estimate from March has been adjusted for actions taken at the 2009 legislative session.

# Constraining General Fund Spending

## Fiscal 2008-2010

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(\$ in Millions)

Governor's Proposed Budget Less Than DLS Baseline	\$1,198
Legislative Reductions	954
Board of Public Works Reductions	1,073
Additional Reversions at Closeout	118
<b>Total Actions</b>	<b>\$3,343</b>
DLS: Department of Legislative Services	

- Actions to constrain general fund budget exceed \$3.3 billion over three years.
- However, it is estimated that about \$1.2 billion of the actions have not been ongoing.

# Current Fiscal 2010 Spending Is \$2.4 Billion Below 2006 Estimate

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## Projected Fiscal 2010 Spending Compared to Current Spending (\$ in Millions)

	DLS Projection Dec 2006	Current Fiscal 2010 Spending	Difference
Operations	\$16,525	\$14,233	-\$2,292
PAYGO Capital	88	0	-\$88
<b>Total</b>	<b>\$16,613</b>	<b>\$14,233</b>	<b>-\$2,380</b>

DLS : Department of Legislative Services

PAYGO: pay-as-you-go

Note: Current spending includes general funds and the federal American Recovery and Reinvestment Act of 2009 monies (\$1.1 billion) that replaced general funds in the fiscal 2010 budget. Amounts exclude appropriations to State reserve fund.



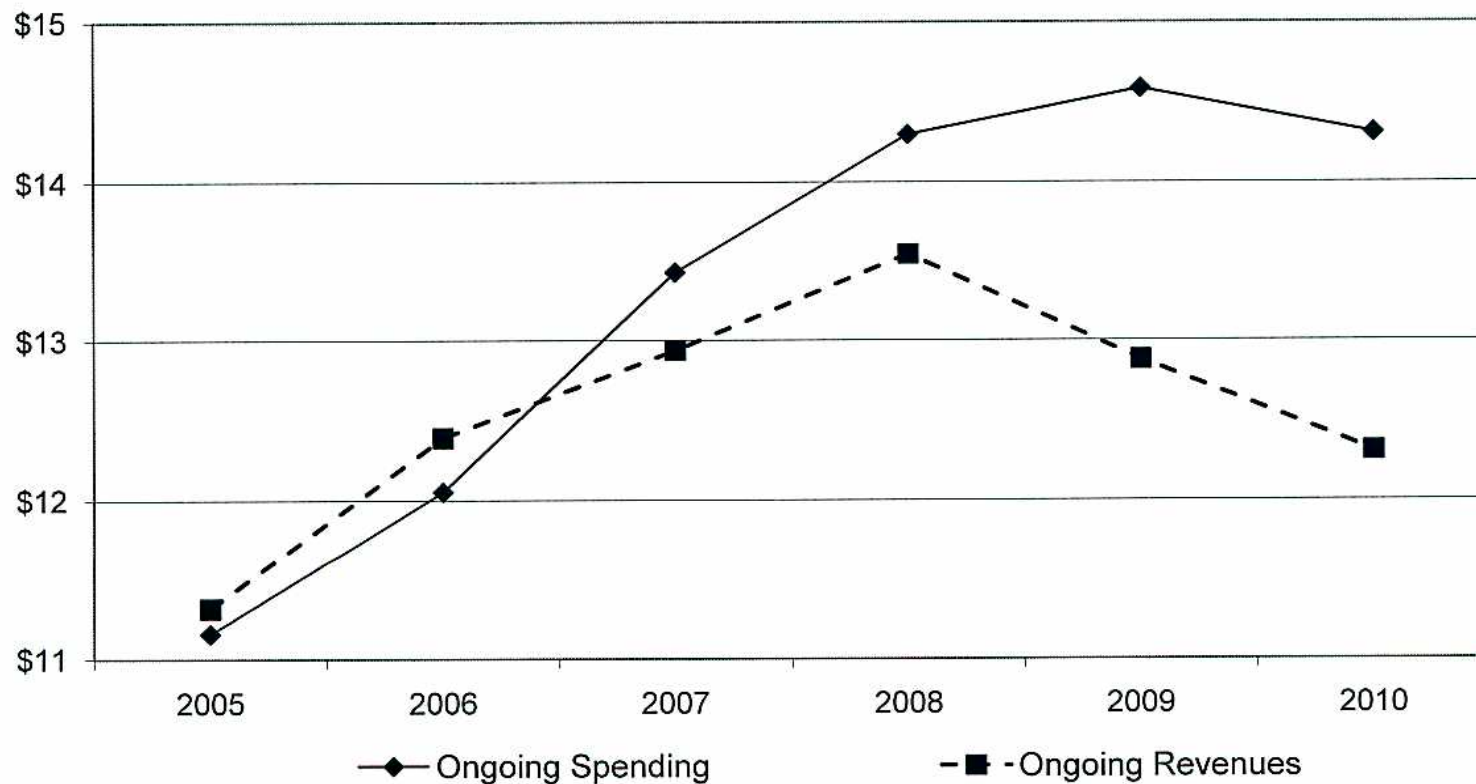
# Fiscal 2010 Revenues Level with Fiscal 2006

## Budget Gap Grows to \$2 Billion

### Fiscal 2005-2010

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(\$ in Billions)

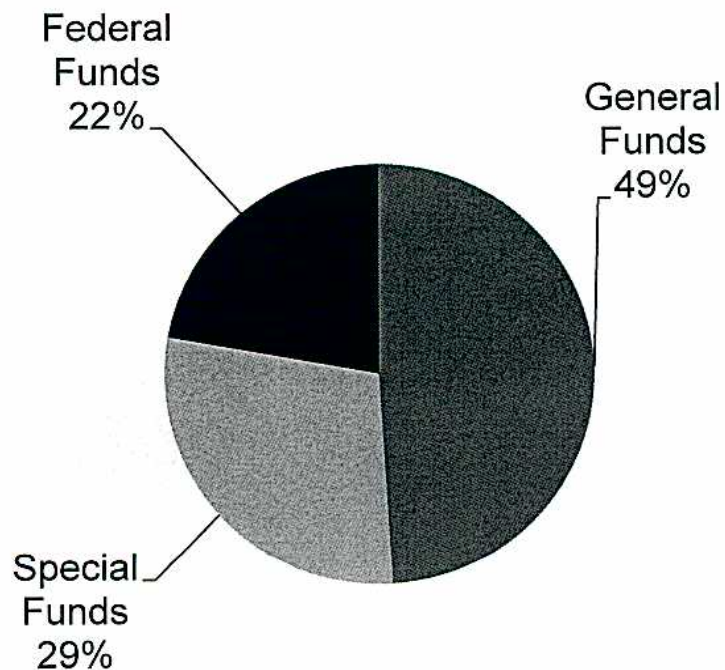


Note: Fiscal 2009 and 2010 adjusted to reflect federal stimulus funds.

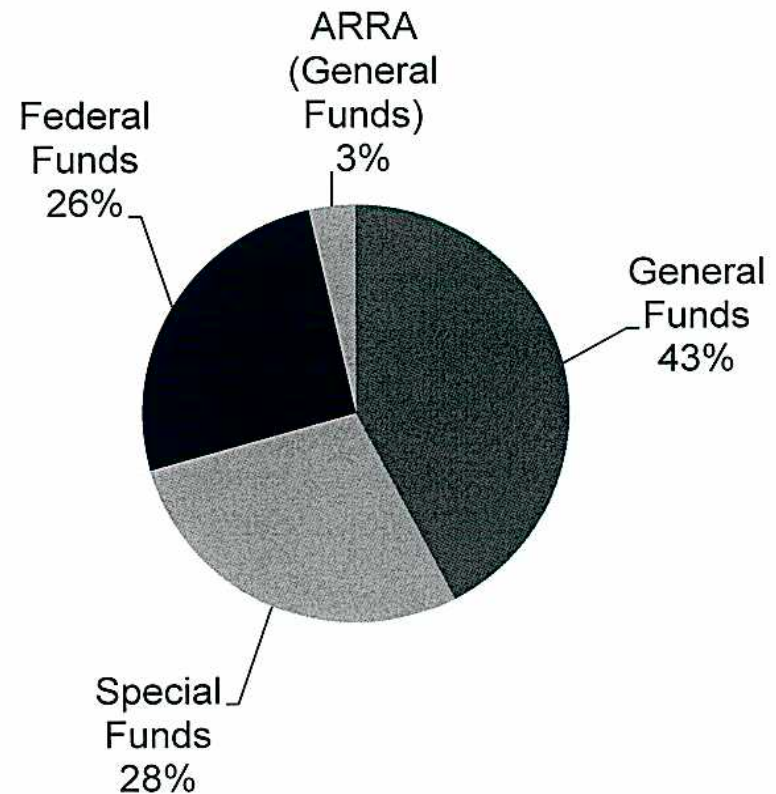
# Stimulus Funds Grow Federal Share of Budget to Almost 30 Percent

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**Fiscal 2008**



**Fiscal 2010**



ARRA: American Recovery and Reinvestment Act of 2009

ARRA (General Funds) – ARRA monies replacing general funds

# Federal Stimulus Funds Drive Growth in State Budget

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(\$ in Millions)

	<u>FY 2007</u>	<u>FY 2010</u>	<u>Change</u>	<u>% Change</u>
General	\$13,566	\$13,131	-\$435	-3.2%
Special	5,319	5,486	167	3.1%
Higher Education	2,870	3,386	516	18.0%
Federal	<u>6,364</u>	<u>9,129</u>	<u>2,765</u>	43.4%
	\$28,119	\$31,132	\$3,013	10.7%
General/ARRA Funds	\$13,566	\$14,233	667	4.9%

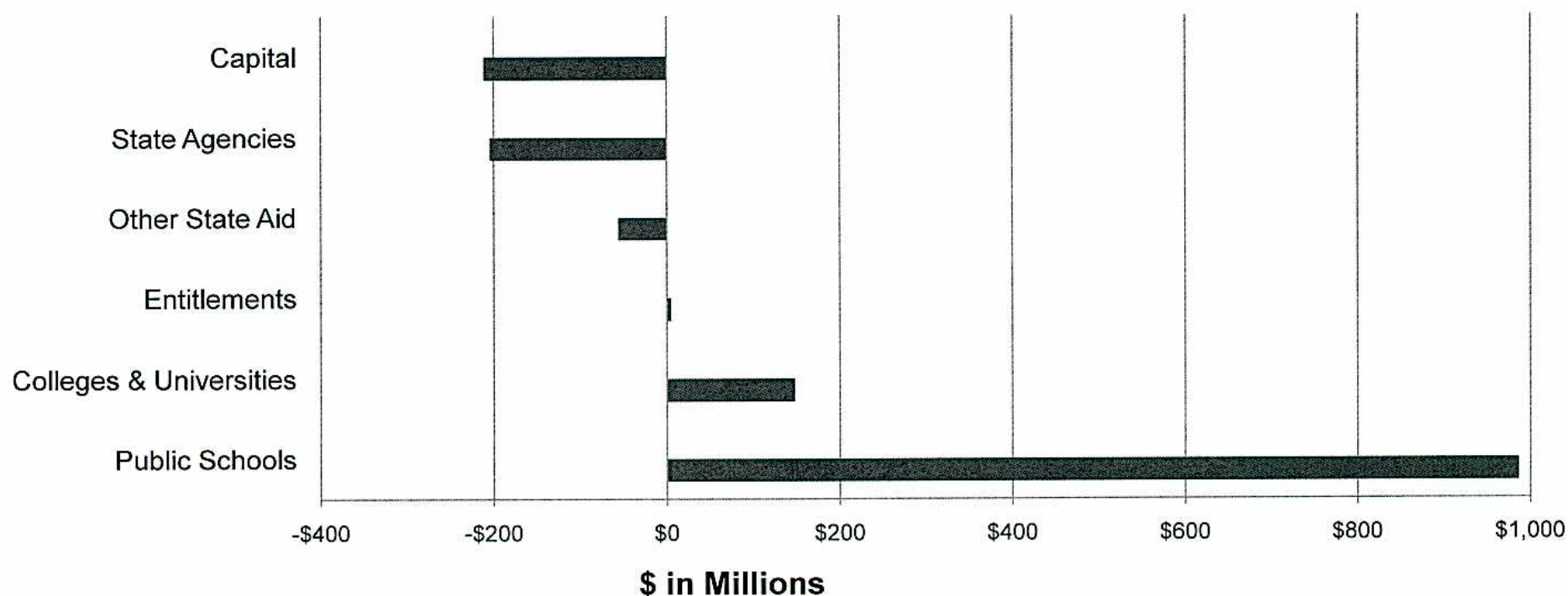
ARRA: federal American Recovery and Reinvestment Act of 2009

Note: General funds exclude reserve fund appropriations. General/ARRA Funds include ARRA funds substituted for general funds.

# Education Aid Up \$1 Billion and Agency Budgets Constrained Since Fiscal 2007

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**Change in General Fund/ARRA Spending  
Fiscal 2010 over Fiscal 2007**



Note: Colleges and universities includes community colleges. All amounts augmented by federal American Reinvestment and Recovery Act (ARRA) funds used in lieu of general funds in fiscal 2010.



# **Administration's Latest Proposed Actions Close Current Budget Gap and Leave a Balance to Cover Some Fiscal 2010 Budget Deficiencies**

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## **Fiscal 2010 Budget (\$ in Millions)**

- \$240.6	Gap After September Revenue Forecast
102.8	November 18 BPW Reductions
129.0	Corporate Income Tax – CEG Asset Sale
98.4	Other Revenues/Transfers
<u>31.4</u>	Additional Reversions
\$121.0	Estimated Fiscal 2010 Balance
- \$278.7	Potential Budget Deficiencies (DLS Estimate)

DLS: Department of Legislative Services

BPW : Board of Public Works

CEG: Constellation Energy Group

# **Administration Plan to Address FY 2010 Revenue Shortfall Exceeds \$1 Billion**

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\$531.4 million BPW reductions

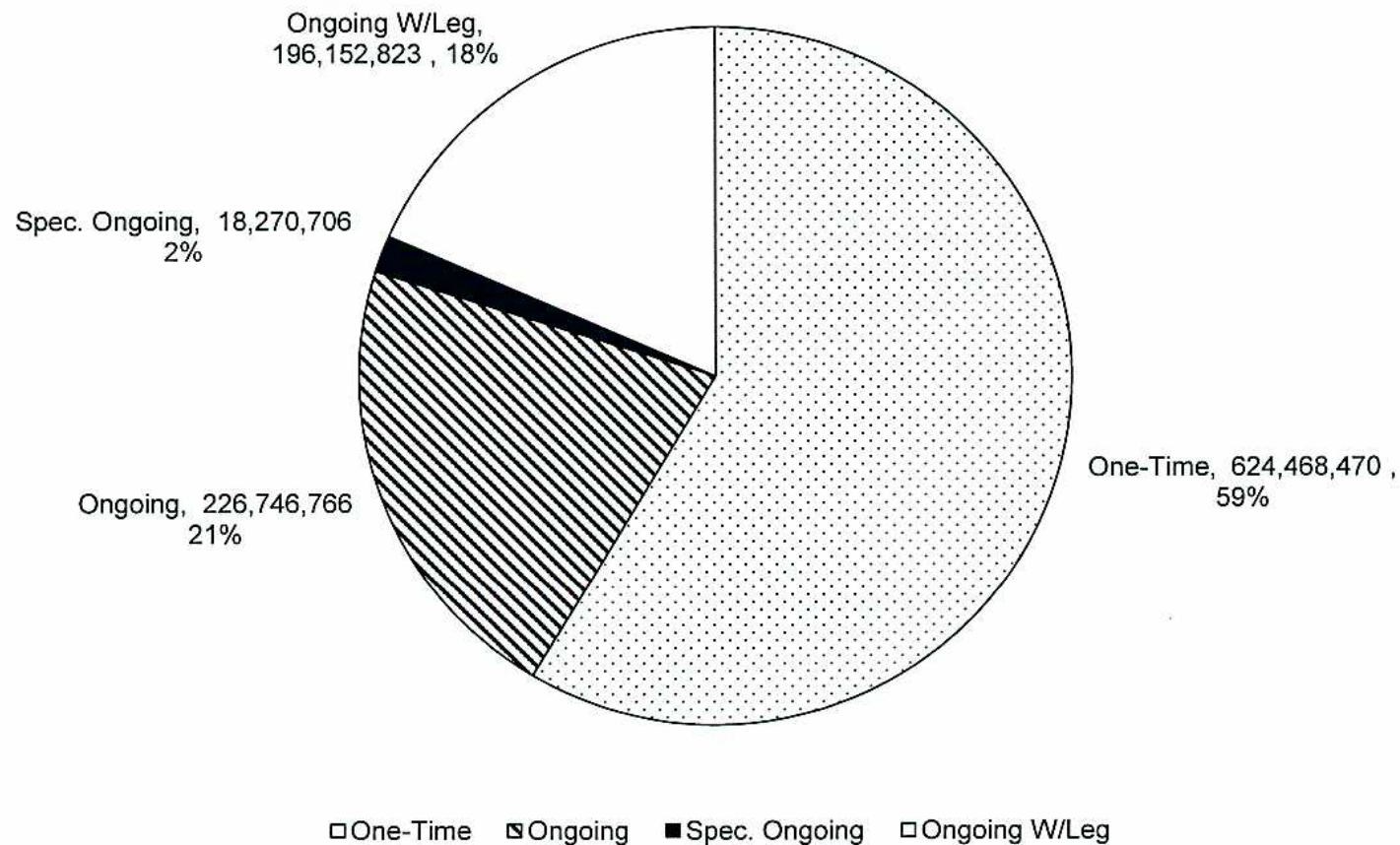
168.5 million revenues & reversions

365.8 million actions requiring legislation

\$1,065.6 million total

# About 60% of Actions One-time and Another 18% Require Legislation to Be Ongoing

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# Actions to Balance Fiscal 2010 Budget That Will Require Legislation at the 2010 Session

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TTF due to Local Highway User Revenue cut	\$159.5
USM & Morgan State Fund Balance	87.0
TTF & HEIF Share of Constellation/EDF Corporate Tax Revenues	34.1
Land Records Fund	25.0
Assign interest from special funds to the general fund	10.0
Chesapeake Bay 2010 Fund	8.0
IWIF unfunded liability reserve	6.0
STO State Insurance Trust Fund	5.0
DNR Program Open Space unencumbered funds	4.5
SF from DNR, STO, & DHMH due to reductions	3.5
SDAT Charter Unit	3.0
Preservation of Cultural Arts in Md	2.9
MDE Oil Contaminated Site Environmental Cleanup Fund	2.2
Moving violation revenues to the general fund	2.0
DSP Vehicle Theft Prevention Fund	1.8
DHMH Community Health Resources Commission Fund	1.8
DHMH Spinal Cord Injury Trust Fund	1.6
MDE Oil Fund Reserve	1.2
MDE Used Tire Cleanup & Recycling Fund	1.1
MDE Tidal Wetlands Compensation Fund	1.0
DHMH Boards and Commissions reductions	0.7
STO cash management improvement fund	0.7
DLLR Reduce horse racing local impact grants by 50%	0.6
DPSCS Md Correctional Enterprises Fund	0.5
DBM Central Collection Fund Balance	0.5
DHCD special fund furlough savings	0.4
DHMH Maryland Health Care Commission fund balance	0.3
MDE Maryland Clean Air Fund	0.3
DNR Waterway Improvement Fund reductions	0.2
MDE Radiation Control Fund	0.2
MDA State Chemist statutory reserve account	0.2
STO Tort Litigation Unit reductions	0.1
	<b>\$365.8</b>



**State Expenditures – General Funds**  
(\$ in Millions)

<u>Category</u>	<u>Adjusted</u>		<u>Baseline</u>		<u>FY 2010 to FY 2011</u>	
	<u>Work. Appr.</u>	<u>Leg. Appr.</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	n/a
County/Municipal						
Community Colleges	214.7	190.0	214.6	214.6	24.5	12.9%
Education/Libraries	254.7	252.2	288.1	288.1	35.9	14.2%
Health	5,436.8	5,230.0	5,287.8	5,287.8	57.8	1.1%
	57.4	37.3	40.2	40.2	2.9	7.8%
<b>Aid to Local Governments</b>	<b>\$5,963.5</b>	<b>\$5,709.6</b>	<b>\$5,830.7</b>	<b>\$5,830.7</b>	<b>\$121.1</b>	<b>2.1%</b>
Foster Care Payments	243.0	240.4	244.6	244.6	4.2	1.8%
Assistance Payments	38.2	34.5	98.0	98.0	63.5	184.1%
Medical Assistance	1,904.3	1,524.1	2,404.1	2,404.1	879.9	57.7%
Property Tax Credits	57.3	60.4	66.5	66.5	6.1	10.1%
<b>Entitlements</b>	<b>\$2,242.7</b>	<b>\$1,859.4</b>	<b>\$2,813.2</b>	<b>\$2,813.2</b>	<b>\$953.8</b>	<b>51.3%</b>
Health						
Human Resources	1,401.3	1,367.9	1,461.2	1,461.2	93.3	6.8%
Systems Reform Initiative	308.5	276.5	305.3	305.3	28.8	10.4%
Juvenile Services	30.7	26.2	26.2	26.2	0.0	0.0%
Public Safety/Police	267.0	255.2	268.8	268.8	13.7	5.4%
Higher Education	1,256.7	1,163.7	1,267.1	1,267.1	103.4	8.9%
Other Education	1,131.9	1,145.2	1,220.8	1,220.8	75.6	6.6%
Agric./Natl. Res./Environment	398.5	360.6	384.7	384.7	24.1	6.7%
Other Executive Agencies	122.8	107.7	117.6	117.6	9.9	9.2%
Judicial/Legislative	549.9	526.8	610.2	610.2	83.4	15.8%
	445.5	451.5	477.5	477.5	26.0	5.8%
<b>State Agencies</b>	<b>\$5,912.8</b>	<b>\$5,681.2</b>	<b>\$6,139.4</b>	<b>\$6,139.4</b>	<b>\$458.1</b>	<b>8.1%</b>
Deficiencies	0.0	278.7	0.0	0.0	-278.7	-100.0%
Salary Enhancement/Deferred Comp <sup>(1)</sup>	0.0	0.0	134.5	134.5	134.5	n/a
<b>Total Operating</b>	<b>\$14,119.1</b>	<b>\$13,528.9</b>	<b>\$14,917.8</b>	<b>\$14,917.8</b>	<b>\$1,388.9</b>	<b>10.3%</b>
Capital/Heritage Reserve Fund	23.0	5.1	6.0	6.0	0.9	18.6%
Transfer to MDTA	65.0	0.0	0.0	0.0	0.0	n/a
Reversions	-38.4	-46.5	-30.0	-30.0	16.5	-35.4%
<b>Appropriations</b>	<b>\$14,168.7</b>	<b>\$13,487.5</b>	<b>\$14,893.8</b>	<b>\$14,893.8</b>	<b>\$1,406.2</b>	<b>10.4%</b>
Reserve Funds <sup>(2)</sup>	146.5	139.9	0.0	0.0	-139.9	-100.0%
<b>Grand Total</b>	<b>\$14,315.2</b>	<b>\$13,627.5</b>	<b>\$14,893.8</b>	<b>\$14,893.8</b>	<b>\$1,266.3</b>	<b>9.3%</b>

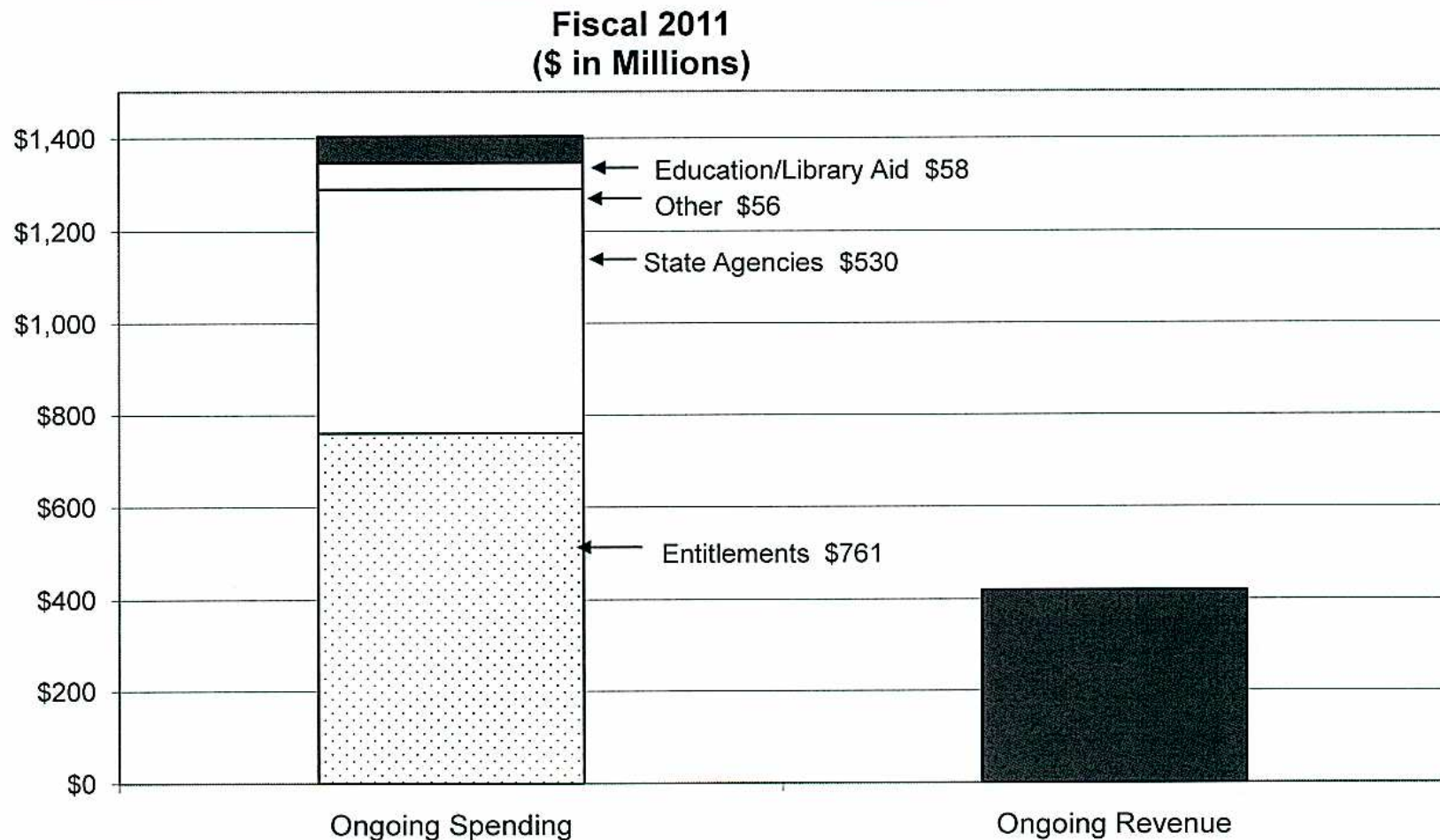
MDTA: Maryland Transportation Authority

<sup>(1)</sup> Includes cost-of-living adjustment, increments, and the employer match for deferred compensation.

<sup>(2)</sup> Excludes \$65 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to MDTA. These monies are included in the transfer to MDTA line.

Note: The adjusted fiscal 2010 legislative appropriation reflects \$428.6 million in withdrawn appropriations and \$19.6 million in additional reversions approved by the Board of Public Works in July and August.

# Modest Revenue Growth Funds Less Than 1/3 of Baseline Budget Growth



# Revenues Minus Baseline Spending Estimate = \$2 Billion Fiscal 2011 Hole

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## Fiscal 2011 General Fund Budget (\$ in Millions)

<b>Starting Balance</b>		<b>\$0.0</b>
<b>Revenues</b>		
BRE Estimated Revenue September 2009	\$12,733.9	
Transfers	135.0	
<b>Funds Available</b>		<b>\$12,868.9</b>
<b>Spending</b>		
DLS Baseline Estimate	\$14,835.5	
Estimated Agency Reversions	-30.0	
<b>Net Expenditures</b>		<b>\$14,805.5</b>
<b>Ending Balance</b>		<b>-\$1,936.6</b>

DLS: Department of Legislative Services  
BRE: Board of Revenue Estimates



# Components of Growth Conducive to Level Funding about \$350 Million

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(\$ in Millions)

• Level Fund Mandated Formulas	\$72
• No Employee COLAs/Increments	123
• Continue State Employee Furloughs	45
• No Deferred Compensation Match	12
• Continue to Defer IT Projects	40
• Level Fund Higher Education	28
• Constrain Agency Operating Costs	15
• No Community Provider Rate Increases	12

COLA: cost-of-living adjustment

IT: information technology



# Other Gap Closers

(\$ in Millions)

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• Enhanced Medicaid Match for Extra 6 Months per House Health Bill	\$384
• Continue One-time BPW Reductions or Transfers for Another Year	175
• Maximize Use of Bonds to Benefit the General Fund	120
• Additional Federal TANF Monies	85

BPW: Board of Public Works

TANF: Temporary Assistance for Needy Families

# General Fund Budget Outlook

Fiscal 2009 - 2015

(\$ in Millions)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Avg Annual Change 2011-2015
Revenues	Actual	Working	Baseline	Est.	Est.	Est.	Est.	
Opening Fund Balance	487	\$87	\$0	\$0	\$0	\$0	\$0	
Transfers*	189	964	135	62	48	55	50	
One-time Revenues/Legislation	840	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<b>Subtotal One-Time Revenue</b>	<b>\$1,517</b>	<b>\$1,058</b>	<b>\$135</b>	<b>\$62</b>	<b>\$48</b>	<b>\$55</b>	<b>\$50</b>	<b>-21.9%</b>
Ongoing Revenues	12,879	\$12,309	\$12,735	\$13,361	\$14,171	\$14,904	\$15,553	
<b>Subtotal Ongoing Revenue</b>	<b>\$12,879</b>	<b>\$12,309</b>	<b>\$12,735</b>	<b>\$13,361</b>	<b>\$14,171</b>	<b>\$14,904</b>	<b>\$15,553</b>	<b>5.1%</b>
<b>Total Revenues &amp; Fund Balance</b>	<b>\$14,396</b>	<b>\$13,367</b>	<b>\$12,870</b>	<b>\$13,424</b>	<b>\$14,219</b>	<b>\$14,959</b>	<b>\$15,603</b>	<b>4.9%</b>
<b>Ongoing Spending</b>								
Operating Spending**	14,585	\$14,551	\$15,715	\$16,152	\$16,923	\$17,706	\$18,447	
VLT Spending Supporting Education	0	<u>-39</u>	<u>-13</u>	<u>-366</u>	<u>-614</u>	<u>-664</u>	<u>-683</u>	
<b>Subtotal Ongoing Spending</b>	<b>\$14,585</b>	<b>\$14,512</b>	<b>\$15,702</b>	<b>\$15,786</b>	<b>\$16,309</b>	<b>\$17,042</b>	<b>\$17,763</b>	<b>3.1%</b>
<b>One-Time Spending</b>								
PAYGO Capital	14	\$0	\$1	\$1	\$1	\$1	\$1	
Federal Stimulus Funds	-437	-1,102	-898	0	0	0	0	
Appropriation to Reserve Fund	147	<u>115</u>	<u>0</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	
<b>Subtotal One-Time Spending</b>	<b>-\$276</b>	<b>-\$987</b>	<b>-\$897</b>	<b>\$51</b>	<b>\$51</b>	<b>\$51</b>	<b>\$51</b>	<b>n/a</b>
<b>Total Spending</b>	<b>\$14,309</b>	<b>\$13,525</b>	<b>\$14,805</b>	<b>\$15,837</b>	<b>\$16,360</b>	<b>\$17,093</b>	<b>\$17,814</b>	<b>4.7%</b>
<b>Ending Balance</b>	<b>\$87</b>	<b>-\$158</b>	<b>-\$1,936</b>	<b>-\$2,414</b>	<b>-\$2,140</b>	<b>-\$2,134</b>	<b>-\$2,212</b>	
Rainy Day Fund Balance	692	617	638	668	708	745	778	
Balance over 5% of GF Revenues	47	1	2	0	0	0	0	
As % of GF Revenues	5.37%	5.01%	5.01%	5.00%	5.00%	5.00%	5.00%	
<b>Structural Balance</b>	<b>-\$1,706</b>	<b>-\$2,203</b>	<b>-\$2,967</b>	<b>-\$2,425</b>	<b>-\$2,138</b>	<b>-\$2,138</b>	<b>-\$2,211</b>	

\* Fiscal 2010 includes Board of Public Works' approved transfers contingent on legislation.

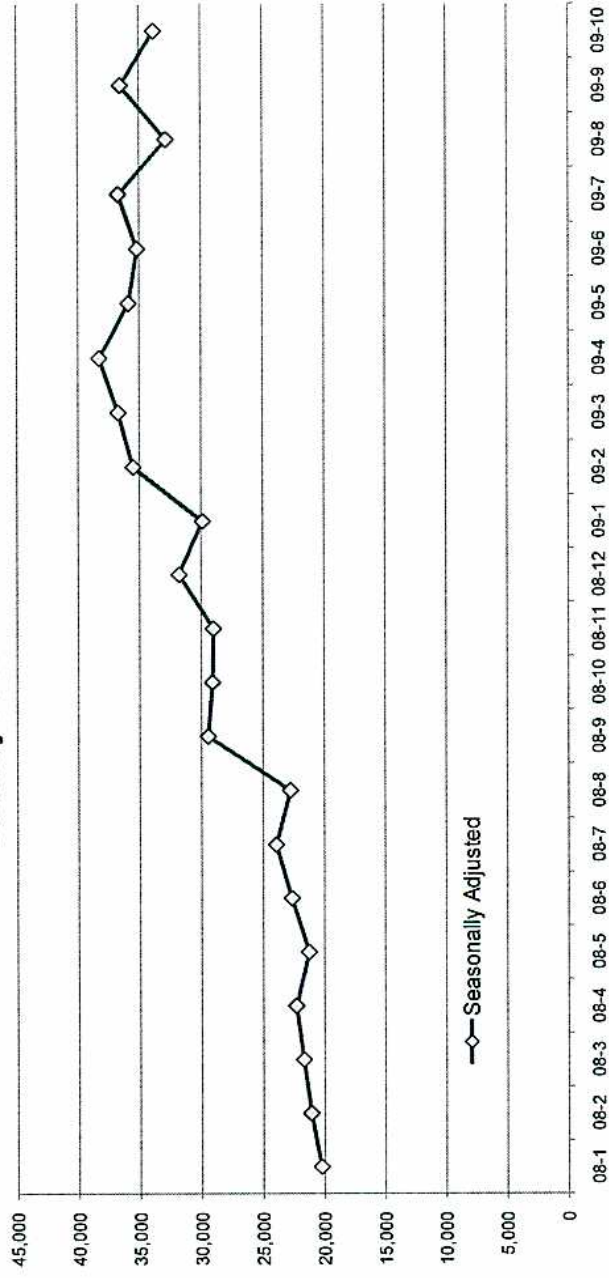
\*\* Includes \$279 million in projected fiscal 2010 deficiencies and Board of Public Works' reductions.

## Maryland Economic Performance

### Year-over-year Percent Change\*

<u>Month-Year</u>	<u>CES</u>	<u>QCEW</u>	<u>Unemployment Rate</u>	<u>Existing Home Sales</u>	<u>Median Home Price</u>	<u>Vehicle Sales</u>	<u>Sales Tax</u>
Jan-09	-1.7%	-2.4%	6.2%	-17.7%	-14.7%	-14.5%	-1.2%
Feb-09	-2.0%	-2.9%	6.8%	-22.3%	-11.1%	-10.0%	-4.8%
Mar-09	-2.4%	-3.1%	6.9%	-9.6%	-6.8%	-14.2%	-8.0%
Apr-09	-2.7%		6.8%	-10.3%	-15.8%	-15.9%	-6.6%
May-09	-2.5%		7.2%	0.3%	-8.3%	-5.4%	-7.0%
Jun-09	-2.3%		7.2%	10.0%	-10.5%	-6.6%	-9.3%
Jul-09	-2.1%		7.2%	21.8%	-10.0%	-1.8%	-8.4%
Aug-09	-2.4%		7.1%	13.6%	-10.0%	3.1%	-8.0%
Sep-09	-2.1%		7.2%	9.6%	-3.7%	-3.3%	-6.1%
Oct-09	-2.0%		7.3%	39.5%	-8.7%		

**Monthly Initial Claims for Unemployment Insurance Filed in Maryland**  
January 2008 - October 2009



CES: Current Establishment Survey  
QCEW: Quarterly Census of Employment and Wages

\* Except the unemployment rate

Note: The unemployment rate is based on seasonally adjusted data. The sales tax is gross receipts (excluding assessments) adjusted for law changes. Monthly unemployment insurance claims from the U.S. Bureau of Labor Statistics with seasonal adjustment by Moody's Economy.com.



# Revenue Attainments a Concern

## Next Several Months Crucial

(\$ in Millions)

<u>Source</u>	Fiscal Year through October			
	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Difference</u>	<u>% Difference</u>
Personal Income Tax	\$1,758.2	\$1,621.8	-\$136.4	-7.8%
Sales and Use Tax <sup>(1)</sup>	947.5	884.1	-63.4	-6.7%
State Lottery	135.0	155.8	20.8	15.4%
Corporate Income Tax	125.1	108.4	-16.7	-13.3%
Business Franchise Taxes	44.5	43.4	-1.1	-2.6%
Insurance Premiums Tax	67.3	65.7	-1.6	-2.3%
Estate and Inheritance Taxes	78.4	56.4	-22.0	-28.1%
Tobacco Tax	116.2	114.5	-1.7	-1.5%
Alcohol Beverages Tax	7.3	7.3	0.0	0.6%
Motor Vehicle Fuel Tax	2.2	2.2	0.0	1.9%
District Courts	30.9	32.2	1.3	4.3%
Clerks of the Court	14.2	14.4	0.2	1.4%
Hospital Patient Recoveries <sup>(2)</sup>	10.2	3.7	-6.5	-63.7%
Interest on Investments <sup>(3)</sup>	24.0	7.0	-16.9	-70.6%
Miscellaneous	42.2	42.0	-0.1	-0.3%
<b>Total Revenues</b>	<b>\$3,403.1</b>	<b>\$3,159.1</b>	<b>-\$244.0</b>	<b>-7.2%</b>

<sup>(1)</sup> Data reflects sales tax revenue remitted to the Comptroller in August, September, and October which were collected by retailers in July, August, and September.

<sup>(2)</sup> Includes revenues from Medicare, insurance, and sponsors only. Fiscal 2009 includes \$6.5 million from a Medicaid cost settlement.

<sup>(3)</sup> Adjusted to reflect accrued interest earnings.